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MEDITERRANEAN FORCE MAJEURE AGREEMENT

FMC Agreement No. 10051

Space Charter Agreement

Date Last Published: February 25, 1983

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Article 1

NAME OF AGREEMENT

The full name of the Agreement is the Mediterranean Force Majeure Agreement (hereinafter "the Agreement").

Article 2

PURPOSE OF AGREEMENT

The purpose of the Agreement is to expedite the movement of cargoes and to serve the interests of the parties hereto and the shipping public.

Article 3

PARTIES TO THE AGREEMENT

The parties to this Agreement are listed in Appendix A hereto, which is hereby incorporated by reference.

Article 4

GEOGRAPHIC SCOPE OF AGREEMENT

The Agreement covers the trade between and/or via all ports on the Iberian Peninsula and/or in the Mediterranean Sea and ports on the U.S. Atlantic and Gulf Coasts, Eastport, Maine, to Brownsville, Texas, inclusive. The geographic scope of the Agreement is hereinafter referred to as "the trade."

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Article 5

AGREEMENT AUTHORITY

5.1 Members' Rights And Obligations

Where, by virtue of causes beyond their control, <u>i.e.</u>, force majeure, strike, mechanical breakdown, war, hostilities, risk of seizure, meteorological conditions, or acts of God, any of the signatories are unable to make a regularly scheduled port or ports of call or to load all or part of the cargo they have booked at such a port or ports, they may invoke the rights and assume the obligations in this Agreement.

5.2 General Carriage Conditions

In the event of an operative cause under Article 5.1, any signatory so affected (a "distressed carrier") may offer to any other signatory (an "underlying carrier") containerized cargo for transportation in the trade on such terms and conditions as may be mutually agreed and subject to the provisions of this Agreement. Provided, however, that each signatory shall afford to each other signatory the most favourable terms and conditions that it affords to any other signatory. It is expressly warranted, however, that no signatory shall invoke this Agreement to book or otherwise undertake to carry, in respect to any particular eastbound or westbound voyage, a greater number of

containers, as measured in terms of twenty foot equivalent units ("TEUS"), than the full safe capacity of its distressed vessel.

5.3 Transportation Liability

Cargo subject to this Agreement shall be self-consigned by the distressed carrier and transported by the underlying carrier on a slot charter contract basis. Notwithstanding the provisions of this Agreement, however, the distressed carrier shall, in respect to the shipper, employ its regular Bill of Lading and strictly adhere to its published tariffs and any applicable Conference or other Rate Agreement as may be in force. It is further understood that the distressed carrier shall be liable to the shipper, and shall receive and process claims for cargo loss and damage, in the same manner and to the same extent and degree as if the cargo had moved on its own vessel.

An underlying carrier shall be liable to indemnify a distressed carrier for reasonable payments the latter must make to cargo owners, in connection with loss or damage to property caused by the underlying carrier subject to the terms and conditions of the contract of affreightment between the underlying carrier and the distressed carrier.

The distressed carrier shall indemnify the underlying carrier for any fines, penalties, duties or other expense imposed

on the underlying carrier for manifest errors, misdescriptions, shortages, overages or any other documentation errors due to incorrect information furnished by the distressed carrier or his shippers for which the underlying carrier may be held liable.

Furthermore the distressed carrier shall indemnify and hold harmless the underlying carrier for damage to property and/or deaths, injuries or illnesses resulting from misdescription of goods, improper stowage of goods within the containers, or defect in construction of the containers tendered by the distressed carrier to the underlying carrier.

The distressed carrier must take delivery of all containers said to contain perishable cargoes moving in dry or temperature-controlled vans within twenty-four (24) hours after said containers have been made available for pick-up from the underlying carrier. The underlying carrier shall not be held liable for damage to the cargo if the distressed carrier fails to take delivery of the cargo within the twenty-four (24) hour time requirement as prescribed.

Article 6

OFFICIALS OF AGREEMENT AND DELEGATION OF AUTHORITY

The Parties may, but need not, appoint an Agreement

Coordinator, who shall have the duty and the authority to ensure

adherence to the terms and the conditions of the Agreement. All expenses arising from the maintenance and administration of this Agreement shall be prorated among the signatories in equal shares.

Any amendment to this Agreement may be executed by its Coordinator or Counsel for and on behalf of, and at the direction of, the signatories.

Article 7

MEMBERSHIP, WITHDRAWAL, READMISSION AND EXPULSION

Any common carrier by water providing containerized shipping services and regularly scheduled sailings in the trade may become party to this Agreement on equal terms and conditions. Any member may withdraw from this Agreement without penalty by giving the Agreement Coordinator at least 60 days' written notice of its intention to withdraw. Any member may be expelled from this Agreement, by a unanimous less one vote of all members, for failure to abide by the terms and conditions of this Agreement.

Article 8

VOTING

Except as otherwise agreed, all decisions implementing the Agreement shall be by unanimous vote of the Parties. Any amendment to this Agreement shall be by unanimous vote of the Parties.

Article 9

DURATION AND TERMINATION OF AGREEMENT

The effective date of this Agreement shall be the date it becomes effective under the Shipping Act of 1984. The Agreement shall remain in effect unless terminated by unanimous vote of the Parties.

Article 10

EXCLUSION OF CARGO

Cargo required by law to be carried in whole or in part by a national flag line shall be excluded from this Agreement unless appropriate waivers are obtained.

WHEREFORE, the undersigned, being duly authorized, has affixed his signature below.

Marc J. Fink

Counsel for Agreement No. 10051 Authority: Article 6 (formerly Article 8) of Agreement

No. 10051

APPENDIX A

PARTIES TO THE AGREEMENT

COMPANIA TRASATLANTICA ESPANOLA (SPANISH LINE)

To ports on South Atlantic and Gulf Coast of U.S. (Jacksonville to Brownsville included) (For ports on Atlantic Coast -- Eastport, Maine to but not including Jacksonville, Florida -- See: Med-America Express Service)

- COSTA CONTAINER LINE
- FARRELL LINES, INC.
- 4. ITALIA DI NAVIGAZIONE, S.P.A.

To ports on South Atlantic and Gulf Coast of U.S. (Jacksonville to Brownsville included) (For ports on Atlantic Coast -- Eastport, Maine to but not including Jacksonville, Florida -- See: Med-America Express Service)

- JUGOLINIJA
- LYKES BROS. STEAMSHIP CO., INC.
- 7. MED-AMERICA EXPRESS SERVICE

(A joint service between Italia di Navigazione, S.P.A./Compania Trasatlantica Espanola)

- 8. SEA-LAND SERVICE, INC.
- 9. ZIM ISRAEL NAVIGATION CO., INC.